GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:4188
ANSWERED ON:14.12.2001
DIAMOND INDUSTRY
KAMBALAPADU E. KRISHNAMURTHY

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the diamond industry in the country is facing acute marketing problems that are leading to closure of some of the units of the industry in the country;

(b) if so, the details thereof;

(c) the number of such units that are at the edge of closure;

(d) whether any study has been conducted by the Government in this regard; and

(e) the remedial measures taken / being taken by the Government to protect the industry from its present ackward position?

Answer

MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) to (e) : As per the information provided by the Gem and Jewellery Export Promotion Council (GJEPC), Mumbai, a representative autonomous body of the trade sponsored by the Ministry of Commerce and Industry, slackness in the demand of cut & polished diamonds in the global market, particularly in U.S.A., European Union, Japan etc., has adversely affected the diamond cutting and polishing units in the country. The exports of cut and polished diamonds during April 2001 to November, 2001 have declined by 9.23% in Rupee terms and 13.59% in US Dollar terms vis-Ã -vis the corresponding period of the last year, putting a strain on the functioning of the existing diamond cutting and polishing units in the country. No specific instances of closure of the diamond cutting and polishing units in the country has been brought to the notice of the Government and no specific study in this regard has been got conducted by the Government. However, in order to improve the exports of diamonds, the Government and the GJEPC have undertaken several initiatives. Some of the important initiatives are as follows:-

- Preparing of a medium-term export strategy;

- Exploring the possibilities of direct procurement of rough diamonds from diamond mining countries;

- Providing funds under Critical Infrastructure Balancing Scheme to Sardar Vallabhbhai Patel Centre of Jewellery Design and Manufacture, under the auspices of Indian Diamond Institute at Surat to give a fillip to jewellery design and manufacturing;

- Promotion of the image of India`s gems and jewellery abroad through frequent advertisements/publicity campaigns in international trade journals; participation in international fairs, buyers-sellers meet, direct approach to mass retailers etc.;

- Exploring and identifying new markets by undertaking market studies through expert consultants and by deputing Indian designers to various international trade fairs and exhibitions for on-the-spot study for latest trends in designs;

- Newer markets in the Latin American Countries are also being closely analysed for evolving a strategy for promotion of gems and jewellery exports from India;

- Promoting Hall Marking of gold jewellery in India through publicity campaigns so as to create an image of quality for the made in India jewellery.

- Based on the feedback and requests received from the exporters and GJEPC, necessary amendments were carried out in the last Exim Policy with a view to facilitate exports.